

ASSEMBLY BILL

No. 759

Introduced by Assembly Member Ma

February 17, 2011

An act to amend Section 25500 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 759, as introduced, Ma. Alcoholic beverages: advertising.

Existing law, known as tied-house restrictions, generally prohibits a manufacturer, winegrower, manufacturer's agent, rectifier, California winegrower's agent, distiller, bottler, importer, and wholesaler, and any officer, director, or agent of any of those persons, from having specified relationships with an on-sale alcoholic beverage licensee with limited exceptions. Existing law specifies that holders of retail on-sale or off-sale licenses may purchase advertising in any publication by a specified alcoholic beverage licensees.

This bill would include Internet Web sites as a type of publication by specified alcoholic beverage licenses that retail on-sale or off-sale licensees may purchase advertising within.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25500 of the Business and Professions
- 2 Code is amended to read:
- 3 25500. (a) No manufacturer, winegrower, manufacturer's
- 4 agent, rectifier, California winegrower's agent, distiller, bottler,

1 importer, or wholesaler, or any officer, director, or agent of any
2 such person shall:

3 (1) Hold the ownership, directly or indirectly, of any interest in
4 any on-sale license.

5 (2) Furnish, give, or lend any money or other thing of value,
6 directly or indirectly, to, or guarantee the repayment of any loan
7 or the fulfillment of any financial obligation of, any person engaged
8 in operating, owning, or maintaining any on-sale premises where
9 alcoholic beverages are sold for consumption on the premises.

10 (3) Own any interest, directly or indirectly, in the business,
11 furniture, fixtures, refrigeration equipment, signs, except signs for
12 interior use mentioned in subdivision (g) of Section 25503, or lease
13 in or of any premises operated or maintained under any on-sale
14 license for the sale of alcoholic beverages for consumption on the
15 premises where sold; or own any interest, directly or indirectly, in
16 realty acquired after June 13, 1935, upon which on-sale premises
17 are maintained unless the holding of the interest is permitted in
18 accordance with rules of the department.

19 (b) This section does not apply to the holding by one person of
20 a wholesaler's license and an on-sale license in counties not to
21 exceed 15,000 population.

22 (c) This section does not apply to the financial or representative
23 relationship between a manufacturer, winegrower, manufacturer's
24 agent, rectifier, California winegrower's agent, distiller, bottler,
25 importer, or wholesaler, or any officer, director, or agent of such
26 person, and a person holding only one of the following types of
27 licenses:

28 (1) On-sale general license for a bona fide club.

29 (2) Club license issued under Article 4 (commencing with
30 Section 23425) of Chapter 3.

31 (3) Veterans' club license issued under Article 5 (commencing
32 with Section 23450) of Chapter 3.

33 (4) On-sale license for boats, trains, sleeping cars, or airplanes
34 where the alcoholic beverages produced or sold by the
35 manufacturer, winegrower, manufacturer's agent, rectifier,
36 California winegrower's agent, bottler, importer, or wholesaler or
37 any officer, director, or agent of the person are not sold, furnished,
38 or given, directly or indirectly to the on-sale licensee.

1 (d) This section does not apply to an employee of a licensee
2 referred to in subdivision (a) who is a nonadministrative and
3 nonsupervisory employee.

4 (e) Notwithstanding any other provision of this division or
5 regulation of the department, this section does not apply to an
6 employee of a licensee referred to in subdivision (a) who is the
7 spouse of an on-sale licensee, so long as the on-sale licensee does
8 not purchase, offer for sale, or promote, regardless of source, any
9 of the brands of alcoholic beverages that are produced, bottled,
10 processed, imported, rectified, distributed, represented, or sold by
11 any licensee referred to in subdivision (a) that employs the spouse
12 of the on-sale licensee.

13 (f) Nothing in this division prohibits the holder of any retail
14 on-sale or off-sale license from purchasing, for fair consideration,
15 advertising in any publication, *including, but not limited to, an*
16 *Internet Web site*, published by any manufacturer, winegrower,
17 manufacturer's agent, rectifier, California winegrower's agent,
18 distiller, bottler, importer, or wholesaler, or any person who directly
19 or indirectly holds the ownership of any interest in the premises
20 of the retail licensee.